

The complaint

Mr A complains Santander UK Plc didn't restrict payments to cryptocurrency (crypto) exchanges Mr A used to fund gambling in early 2024.

What happened

Mr A said he spoke with Santander in Autumn 2023 and explained he had a problem with gambling at online crypto casinos. He said he asked Santander to block payments to crypto exchanges so he couldn't buy crypto to gamble with. Mr A said Santander explained it couldn't block such payments, but with Mr A's agreement, cancelled his debit card on 3 October.

Mr A said he discovered he could buy crypto by faster payment (transfers) instead and made transfers through to two named crypto exchanges, which he then used to continue to fund gambling on crypto casinos.

Mr A explained Santander actively promote a £3,000 limit in any 30 rolling days on purchases of crypto. Mr A claims this limit did not occur, allowing him to exceed the £3,000 in 30 days. Mr A said most of the transactions he was disputing occurred between the end of February 2024 to end of April 2024, citing an example of where he was able to transfer £15,000 into crypto in one 30 day period.

Mr A has said this is the '*main focus*' of his complaint. He said when he started his '*big gambling session*' in early 2024 he had the £3,000 limit in mind. He said he had decided once he had hit the £3,000 limit he would have spent enough, explaining he thought he would not have been able to gamble anymore once he hit this limit. He said he had plans for the rest of the funds he had recently received from a payment. Mr A said he ended up spending well past the £3,000 limit before he even realised the limit had not blocked him as he thought it would have.

Santander wrote a final response letter to Mr A in March 2024 explaining crypto activity was not yet regulated in the UK. Santander said this meant there was no '*safety net if things go wrong*'.

Santander explained the £3,000 limit was designed to stop scams and fraud, not gambling. It said Mr A had used both faster payments and card payments to different crypto exchange companies. Santander also said the companies Mr A transferred his funds too were '*digital wallets*'. As such, Santander said there were a variety of options Mr A could have spent the transferred money on from these wallets, not just crypto.

Santander clarified it did not have specific limits for crypto payments for card purchases. Santander also said as Mr A had confirmed all the transactions were genuine, the £3,000 crypto limit was not applicable either.

Santander explained it supports customers who need assistance with gambling but said how Mr A had chosen to process gambling transactions through crypto exchanges meant any gambling block would have been bypassed. However, Santander also said it didn't have a record of Mr A approaching it, explaining there are no blocks on his card for gambling sites, and it had not set up any facility for Mr A to be sent text messages or emails about gambling when it detected such spending.

Our investigator thought Santander had acted fairly and reasonably and didn't need to take any further action. They explained they thought the only mechanism Santander had to identify gambling transactions was through the debit card merchant category. Our investigator accepted Santander's explanation that the £3,000 over 30 day crypto limit was to deter certain types of fraud and scams and not to stop gambling

Mr A didn't agree with our investigator's recommendation, explaining his understanding of the £3,000 limit was that it was a 'hard' limit with no way around it.

As Mr A rejected our investigators recommendation, his complaint has been passed to me to make a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I appreciate how strongly Mr A feels about his complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

Firstly, I do not think it is in dispute the payments made to the crypto exchanges would not necessarily have flagged as for gambling. These exchanges are primarily used for the purchase of crypto investments, not gambling. Therefore, any restrictions for gambling, had it been in place, would most likely not have been triggered by the transfers in question.

Secondly, I accept what Santander said here and think it is likely the limits discussed are to deter fraud and scams linked to crypto, which sadly our service sees regularly. For these reasons, I do not think the transactions in question were an obvious gambling risk as the companies Mr A transferred the money to were not gambling companies.

For these reasons I don't think, on balance, Santander had reason to intervene regarding these transfers from a gambling perspective.

I appreciate Mr A accepts this to some extent, explaining his issue is with Santander's position regarding the £3,000 30 day limit. Mr A has provided evidence from Santander's website where he explained he thought would stop him from spending more than £3,000 over a 30 day rolling period; it says:

'Limit on cryptocurrency payments

We currently limit the amount you can send to cryptocurrency exchanges. This applies to payments made through Mobile and Online Banking, payments set up over the phone, CHAPS, Open banking and payments in branch.

Your limit will be:

- *£1,000 per transaction*
- *a total of £3,000 in any rolling 30-day period'*

Santander says in one 28 day period in early 2024, Mr A sent over £9,000 to two crypto wallets. He also sent just under £6,000 during a later 30 day period to the same two companies. These transactions were made using faster payments.

Santander explained crypto triggers only relate to payments made by faster payments, card payments do not count towards this limit. However, I am satisfied that Mr A used faster payment transfers to send money to these sites after blocking his card on 3 October. Santander also argued that one of the companies, I shall call X, Mr A sent funds to wasn't solely a crypto company and offered other products.

I have considered this carefully. Firstly, the company Santander claims offers other products and suggests it is not covered because of this, said the following in a recent submission to the UK Parliament '*[X] was launched in [date] with a simple aim: to increase cryptocurrency adoption*'. The website for this company also states in the '*about us*' section '*We believe buying crypto shouldn't be so hard. [X] is a financial technology company that builds payments infrastructure for crypto. Our on-and-off-ramp suite of products provides a seamless experience for converting between fiat currencies and cryptocurrencies using all major payment methods including debit and credit card, local bank transfers, Apple Pay and Google Pay*'.

It is clear to me, on balance, both companies Mr A sent money to are predominantly used for buying crypto. For these reasons, I do not think it is fair and reasonable to suggest payments to these companies were not necessarily for crypto as Santander has done.

On the contrary, I think it entirely reasonable to assume, on balance, most transactions to these companies would be for the purchase of crypto. I also think the response given by Santander here means it could logically argue any crypto firm which offered any other product, as many do, is not subject to its above quoted rules. This does beg the question what the purpose of these rules is if not to monitor and stop fraudulent purchases of crypto.

However, to some degree this is irrelevant to the issues here, I include it because I do think it illustrates well the difficulties businesses have when designing procedures and policy regarding crypto. Whilst Santander mentioned a '*limit*' online, it doesn't specify the action it will take, such as stopping payments, in this brief overview on its website. I appreciate Mr A has spoken with Santander since and it has explained that it would block payments on a '*chat*' with a representative.

I also do not know of any current legal requirement on Santander to have this policy or limit in place. As Santander correctly said in its response, crypto is not currently regulated within the UK, which presents difficulties. For context, other high street UK banks do not have such strict controls. Currently, one high street bank states it has a £5,000 per day limit, and another says it has £10,000 per rolling 30 day limit for purchases of crypto. Whereas other banks have completely restricted the purchase of crypto and do not allow it at all. Again, this demonstrates the difficulties and differing approaches regarding crypto.

Our service's position is it doesn't expect banks to be liable for a customer's spending decisions, which individuals are entirely free to make, and Santander is required to process authorised transactions without let or hindrance, so long as it doesn't suspect fraud.

Bearing that in mind, all parties to this complaint accept the payments were not fraudulent. Mr A has said he authorised them and they were for regular, mostly relatively small amounts.

I understand Mr A cancelled his debit card with Santander on 3 October 2023. Mr A made a transfer to a crypto exchange on 7 October, some four days later. Santander has not found evidence Mr A informed it of gambling issues prior to making a complaint in March 2024. Sadly, the evidence relating to the call Mr A made is no longer available.

What this demonstrates to me is Mr A managed to circumvent this restriction within a matter of hours. Furthermore, I also note even when Mr A knew the limit wasn't working as he thought it should, he continued to gamble. Mr A has explained he also continued to gamble since raising this complaint.

I think, on balance, even if any limit had stopped Mr A making crypto purchases, he would have found a way to circumvent this and would likely have continued to gamble. I also think, even if the process had worked as Mr A thought it should, he would have been able to keep gambling up to the £3,000 limit as and when transactions went over past the 30 day limit and 'dropped off', in essence, it may have slowed him down but I do not think it was likely to have stopped him.

I also note the comments Mr A has made in response to our investigators view regarding Santander not knowing whether or not the transactions were fraudulent or not. I would again point out that these payments were authorised and not fraudulent, what Mr A has suggested in this response is purely a hypothetical situation, which does not apply here.

I understand Santander has explained its policies to support customers who report to it they are struggling with gambling. However, Santander has maintained it has no evidence Mr A mentioned before raising this complaint he had issues with gambling. From the evidence I have seen, Mr A has said he spoke once with Santander in autumn 2023.

Having considered this, on balance, I do not think it was reasonable or fair to have expected Santander to have recognised the payments to crypto exchanges as gambling payments and either stopped the payments or contacted Mr A about them.

To summarise, having considered the available evidence I do not think it would be fair or reasonable to hold Santander liable for the losses Mr A claims he incurred due to his gambling.

I appreciate Mr A has said he raised his gambling issues with Santander, but I haven't seen compelling evidence Mr A consistently asked for any meaningful assistance or explained his gambling issues to Santander. I appreciate Mr A believes the transactions should have been stopped once he had transferred £3,000 in 30 days, but I recognise the wide variation in this, and have highlighted the difficulties in enforcing it – both legally and practically.

I am also sorry to say I do not think, on balance, any intervention would have assisted in the longer term during this period. I think Mr A would have continued to find ways to gamble even if Santander had intervened.

I appreciate Mr A will be disappointed with my decision, but I hope he understands my reasons for not holding Santander liable for the loss Mr A has claimed.

My final decision

For the reasons I have given, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 26 December 2024.

Gareth Jones
Ombudsman